

FISCAL IMPACT STATEMENT ON BILL NO. **S392**

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TO:	The Honorable Glenn McConnell, Chairman, Senate Judiciary Committee		
FROM:	Office of State Budget, Budget and Control Board		
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DATE:	March 1, 2007	SBD:	2007127

AUTHOR:	Senator Ritchie	PRIMARY CODE CITE:	
SUBJECT:	Illegal Immigration Reform		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
A Cost to the General Fund (See Below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
See Below

BILL SUMMARY:

Senate Bill 392 would add several chapters to the Code of Laws of South Carolina regarding such areas as illegal aliens and public employment, enforcement of federal immigration and custom laws, verification of lawful presence in the United States, verification of nationality of prisoners and registration of immigration assistance services.

EXPLANATION OF IMPACT:

State Budget and Control Board - Statewide

Section 2 of the Bill requires public employers and those who contract with public agencies to participate in a federal work authorization program for employment verification. Currently, employers may participate in this program without charge. However, if the number of employers using the system continues to grow, there is a potential that a charge would be required for participation. This could result in additional cost to state agencies along with costs for training employees.

In addition, state and local governmental entities may experience increased costs from government contractors as they increase costs for participating in the employee verification program. With increased costs to contractors, this may result in fewer contractors seeking business with the state and local governments thereby impacting the costs for services.

Department of Labor, Licensing and Regulation

The Department reports that it would require 2.10 new FTEs for 0.10 Administrator, 1.00 Investigator, and 1.00 Administrative Specialist at an annual cost to the General Fund of \$118,080 for salary, fringe and other operating expenses. There would also be a cost to the General Fund of \$15,000 for translation services for interviews and document analysis. It is assumed this would impact General Fund expenditures since there is no reference in the Bill to the collection of fees in return for registration.

Employment Security Commission

The Commission reports there are approximately 100,000 employers statewide. Enactment of this Bill would require two separate mailings at a total cost of \$89,188. This cost includes \$3,020 in mailing supplies (i.e., paper and envelopes), \$6,600 in contractual services to fold and stuff mailings and address envelopes, \$1,568 in salaries and benefits to print the required notices, and \$78,000 in postage for 200,000 mailings. It is assumed additional General Funds would be required to fulfill the requirements of the Bill.

Administrative Law Court

The Court would be responsible for hearing all contested cases in accordance with the provisions of Chapter 23 of Title 1 of the South Carolina Code of Laws. Because there is no historical information on the number of cases this Bill may produce, the Court cannot determine if it would be able to absorb these costs or if additional funding would be needed.

State Law Enforcement Division

Based on a review of this Bill and pending the level of enforcement, the number of agents required to implement the provisions of this Bill cannot be determined at this time. The annual cost to the General Fund of the State for each agent is approximately \$65,774 with a one-time cost of \$42,900 for vehicle and equipment.

Other Agencies

The Departments of Revenue and Corrections as well as the Judicial Department each indicate enactment will have no impact on expenditures or a minimal impact which can be absorbed at the current level of funding.

LOCAL GOVERNMENT IMPACT:

Three local governments indicated enactment would have little or no impact on expenditures. One estimated the impact at \$125,000 while another estimated costs may reach \$500,000.

SPECIAL NOTES:

None.

Approved by:



Don Addy
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